

## MINUTES OF THE STANDING COMMITTEE ON COMMERCE

**Tuesday, December 5, 2006**

**10:30 a.m.**

**Room 519, House Office Building**

**Chair Huizenga** called the Standing Committee on Commerce to order.

**MEMBERS PRESENT:** Reps. Huizenga, Baxter, Emmons, Palsrok, Wenke, Green, Hildenbrand, Rick Jones, Marleau, Pavlov, Schuitmaker, Meisner, Accavitti, Leland (14/19)

**MEMBERS ABSENT/EXCUSED:** Reps. David Law, Tobocman, Dillon, Bennett, McConico (5/19)

**Representative Meisner**, supported by **Representative Marleau**, moved to adopt the minutes from the meeting held on **November 28, 2006**. Hearing no objection, the motion prevailed with unanimous consent.

The **Chair** laid **Senate Bill 1148** before the committee.

SB 1148	Stamas	Economic development; renaissance zones; number of renaissance zones; increase.
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**Chad Wing**, from the Office of Senator Stamas, explained the intent of the bill.

**James McBryde** and **John Czarnecki**, representing the Michigan Economic Development Corporation, testified in **support** of the bill and a proposed amendment.

**Nadine Nosal**, representing the International Union, UAW, submitted a testimony card in **support** of the bill, but did not wish to speak.

**Don Van Singel**, representing the City of Grand Rapids, submitted a testimony card in **support** of the bill, but did not wish to speak.

The **Chair** laid **Senate Bills 405** and **459** before the committee.

SB 405	Garcia	Liens; construction; construction liens on residential property; revise various provisions, including fees for membership in the homeowner construction lien recovery fund.
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SB 459	Basham	Liens; construction; various provisions regarding construction liens on residential property, including fees for membership in the homeowner construction lien recovery fund; revise.
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**Tony Snyder**, from the Office of Senator Garcia, explained the intent of **Senate Bill 405**.

**Andrea Coscarilla**, from the Office of Senator Basham, explained the intent of **Senate Bill 459** and answered questions.

**Bill Bedard**, representing Mortimer Lumber, testified in support of **Senate Bill 405**.

**Rick Sealy**, representing the Michigan Lumber and Building Materials Association, testified in support of **Senate Bill 405**, with amendments.

**Tom Ward**, representing the Michigan Land Title Association, testified in support of **Senate Bill 405**, with amendments. He also explained the intent of the proposed amendments.

**Jeannine Benedict**, representing the Michigan Department of Labor and Economic Growth, testified in support of **Senate Bills 405 and 459**.

**Belinda Wright**, representing the Michigan Department of Labor and Economic Growth, testified in support of **Senate Bills 405 and 459**, and answered questions.

**Al Schefke**, representing the Michigan Department of Labor and Economic Growth, submitted a testimony card in support of **Senate Bills 405 and 459**, but did not wish to speak.

**Lynn Briggs**, representing Contractors Legislative Services, submitted a testimony card in support of **Senate Bills 405 and 459**, but did not wish to speak.

**Lee Schwartz**, representing the Michigan Homebuilders Association, submitted a testimony card in support of **Senate Bills 405 and 459**, but did not wish to speak.

The **Chair** laid **Senate Bill 1125** before the committee.

SB 1125      Scott      Consumer protection; unfair trade practices; unauthorized use of name of recording group by performing music group; prohibit.

**Senator Scott** explained the intent of the bill.

**Mary Wilson** submitted written testimony in support of the bill.

**Chair Huizenga** submitted material received by his office in support of the bill.

**Representative Rick Jones**, supported by **Representative Accavitti**, moved to report **Senate Bill 1125** with recommendation.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Huizenga, Baxter, Palsrok, Wenke, Hildenbrand, Rick Jones, Marleau, Pavlov, Meisner, Accavitti, Leland (11/19)

**NAYS:** None (0/19)

**PASS:** Rep. Green (1/19)

A sufficient number of members voting in the affirmative, the **motion prevailed**.

The Chair returned to Senate Bill 405.

Chair Huizenga offered the following amendments to Senate Bill 405:

1. Amend page 2, line 5, after "lessee" by inserting " AND THE OWNER OR LESSEE HAS COMPLIED WITH THE REQUIREMENTS OF SUBSECTION (6)".

2. Amend page 4, line 15, by striking out the entire line through "STATEMENT." on line 22 and inserting "ON RECEIPT OF THIS SWORN STATEMENT, THE OWNER OR LESSEE, OR THE OWNER'S OR LESSEE'S DESIGNEE, MUST GIVE NOTICE OF ITS RECEIPT, EITHER IN WRITING, BY TELEPHONE, OR PERSONALLY, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING UNDER SECTION 109 OR, IF A NOTICE OF FURNISHING IS EXCUSED UNDER SECTION 108 OR 108A, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER NAMED IN THE SWORN STATEMENT. IF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING OR WHO IS NAMED IN THE SWORN STATEMENT MAKES A REQUEST, THE OWNER, LESSEE, OR DESIGNEE SHALL PROVIDE THE REQUESTER A COPY OF THE SWORN STATEMENT WITHIN 10 BUSINESS DAYS AFTER RECEIVING THE REQUEST."

3. Amend page 5, line 11, by striking out all of subsection (6) and inserting:  
"(6) ON RECEIPT OF A SWORN STATEMENT, THE OWNER, LESSEE, OR DESIGNEE, SHALL GIVE NOTICE OF ITS RECEIPT, EITHER IN WRITING, BY TELEPHONE, OR PERSONALLY, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING UNDER SECTION 109 OR, IF A NOTICE OF FURNISHING IS EXCUSED UNDER SECTION 108 OR 108A, TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER NAMED IN THE SWORN STATEMENT. IF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING OR WHO IS NAMED IN THE SWORN STATEMENT MAKES A REQUEST, THE OWNER, LESSEE, OR DESIGNEE SHALL PROVIDE THE REQUESTER A COPY OF THE SWORN STATEMENT WITHIN 10 BUSINESS DAYS AFTER RECEIVING THE REQUEST."

4. Amend page 11, line 10, by striking out all of subsection (7) and inserting:  
"(7) SUBJECT TO SUBSECTION (8), AN OWNER, LESSEE, OR DESIGNEE SHALL NOT RELY ON A FULL OR PARTIAL UNCONDITIONAL OR CONDITIONAL WAIVER OF LIEN PROVIDED BY A PERSON OTHER THAN THE LIEN CLAIMANT NAMED IN THE WAIVER IF THE LIEN CLAIMANT HAS EITHER FILED A NOTICE OF FURNISHING UNDER SECTION 109 OR IS EXCUSED FROM FILING A NOTICE OF FURNISHING UNDER SECTION 108 OR 108A UNLESS THE OWNER, LESSEE, OR DESIGNEE HAS FIRST VERIFIED THE AUTHENTICITY OF THE LIEN WAIVER WITH THE LIEN CLAIMANT EITHER IN WRITING, BY TELEPHONE, OR PERSONALLY."

5. Amend page 12, line 22, by striking out the entire line through "AUTHENTIC." on line 25 and inserting **"IF THE OWNER OR LESSEE OF THE PROPERTY OR THE OWNER'S OR LESSEE'S DESIGNEE HAS RECEIVED A NOTICE OF FURNISHING FROM ME/ONE OF US OR IF I/WE ARE NOT REQUIRED TO PROVIDE ONE, AND THE OWNER, LESSEE OR DESIGNEE HAS NOT RECEIVED THIS WAIVER DIRECTLY FROM ME/ONE OF US, THE OWNER, LESSEE, OR DESIGNEE MAY NOT RELY UPON IT WITHOUT CONTACTING ME/ONE OF US, EITHER IN WRITING, BY TELEPHONE OR PERSONALLY, TO VERIFY THAT IT IS AUTHENTIC."**.

6. Amend page 13, line 18, by striking out the entire line through "AUTHENTIC." on line 21 and inserting **"IF THE OWNER OR LESSEE OF THE PROPERTY OR THE OWNER'S OR LESSEE'S DESIGNEE HAS RECEIVED A NOTICE OF FURNISHING FROM ME/ONE OF US OR IF I/WE ARE NOT REQUIRED TO PROVIDE ONE, AND THE OWNER, LESSEE OR DESIGNEE HAS NOT RECEIVED THIS WAIVER DIRECTLY FROM ME/ONE OF US, THE OWNER, LESSEE, OR DESIGNEE MAY NOT RELY UPON IT WITHOUT CONTACTING ME/ONE OF US, EITHER IN WRITING, BY TELEPHONE OR PERSONALLY, TO VERIFY THAT IT IS AUTHENTIC."**.

7. Amend page 14, line 6, by striking out the entire line through "AUTHENTIC." on line 9 and inserting **"IF THE OWNER OR LESSEE OF THE PROPERTY OR THE OWNER'S OR LESSEE'S DESIGNEE HAS RECEIVED A NOTICE OF FURNISHING FROM ME/ONE OF US OR IF I/WE ARE NOT REQUIRED TO PROVIDE ONE, AND THE OWNER, LESSEE OR DESIGNEE HAS NOT RECEIVED THIS WAIVER DIRECTLY FROM ME/ONE OF US, THE OWNER, LESSEE, OR DESIGNEE MAY NOT RELY UPON IT WITHOUT CONTACTING ME/ONE OF US, EITHER IN WRITING, BY TELEPHONE OR PERSONALLY, TO VERIFY THAT IT IS AUTHENTIC."**.

8. Amend page 14, line 26, by striking out the entire line through "AUTHENTIC." on line 29 and inserting **"IF THE OWNER OR LESSEE OF THE PROPERTY OR THE OWNER'S OR LESSEE'S DESIGNEE HAS RECEIVED A NOTICE OF FURNISHING FROM ME/ONE OF US OR IF I/WE ARE NOT REQUIRED TO PROVIDE ONE, AND THE OWNER, LESSEE OR DESIGNEE HAS NOT RECEIVED THIS WAIVER DIRECTLY FROM ME/ONE OF US, THE OWNER, LESSEE, OR DESIGNEE MAY NOT RELY UPON IT WITHOUT CONTACTING ME/ONE OF US, EITHER IN WRITING, BY TELEPHONE OR PERSONALLY, TO VERIFY THAT IT IS AUTHENTIC."**.

9. Amend page 18, line 25, after "NATIONALLY" by inserting **"OR REGIONALLY"**.

10. Amend page 19, line 8, after "(II)" by striking out **"OBTAINED"** and inserting **"IF THE CONTRACTOR OR SUBCONTRACTOR IS LESS THAN 4 YEARS OLD, OBTAINED"**.

11. Amend page 19, line 17, after **"SUBCONTRACTOR"** by striking out the balance of the subparagraph and inserting **"WAS, AT THE TIME OF THE APPLICATION, OR HAD BEEN, WITHIN 2 YEARS BEFORE THE APPLICATION, INSOLVENT"**.

12. Amend page 19, line 19, after **"WAS"** by inserting a comma and **"AT THE TIME OF THE APPLICATION,"**.

13. Amend page 19, line 21, by striking out all of subparagraph (iii) and inserting "(iii) **TOTAL DELINQUENT JUDGMENTS OF MORE THAN \$1,000.00.**".

14. Amend page 19, line 22, by striking out all of subparagraph (iv).

15. Amend page 20, line 23, by striking out all of subdivision (A) and inserting:

**"(A) THE CONTRACTOR OR SUBCONTRACTOR WAS DELINQUENT IN PAYING THE SUPPLIER FOR MATERIAL OR EQUIPMENT FOR MORE THAN THE FOLLOWING NUMBER OF DAYS AFTER THE FIRST BUSINESS DAY OF THE MONTH FOLLOWING THE SHIPMENT OF THE MATERIAL OR EQUIPMENT:**

**(i) IN 2007, 180 DAYS.**

**(ii) IN 2008, 150 DAYS.**

**(iii) IN 2009, 120 DAYS.**

**(iv) IN 2010 AND EACH YEAR AFTER 2010, 90 DAYS."**

**Representative Hildenbrand**, supported by **Representative Leland**, moved to adopt the amendments to **Senate Bill 405**.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Huizenga, Baxter, Emmons, Palsrok, Wenke, Green, Hildenbrand, Rick Jones, Marleau, Pavlov, Meisner, Accavitti, Leland (13/19)

**NAYS:** None (0/19)

**PASS:** None (0/19)

A sufficient number of members voting in the affirmative, the **motion prevailed**.

**Representative Emmons**, supported by **Representative Meisner**, moved to report **Senate Bill 405**, with recommendation, as **Substitute (H-1)**.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Huizenga, Baxter, Emmons, Palsrok, Wenke, Green, Hildenbrand, Rick Jones, Marleau, Pavlov, Meisner, Accavitti, Leland (13/19)

**NAYS:** None (0/19)

**PASS:** None (0/19)

A sufficient number of members voting in the affirmative, the **motion prevailed**.

The **Chair** returned to **Senate Bill 459**.

**Representative Meisner**, supported by **Representative Hildenbrand**, moved to report **Senate Bill 459** with recommendation.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Huizenga, Baxter, Emmons, Palsrok, Wenke, Green, Hildenbrand, Rick Jones, Marleau, Pavlov, Meisner, Accavitti, Leland (13/19)

**NAYS:** None (0/19)

**PASS:** None (0/19)

A sufficient number of members voting in the affirmative, the **motion prevailed**.

The **Chair** returned to **Senate Bill 1148**.

**Chair Huizenga** offered the following amendments to **Senate Bill 1148**:

1. Amend page 3, line 1, after “**OF**” by striking out “**INDUSTRIAL PROPERTY**” and inserting “**PROPERTY FOR INDUSTRIAL PURPOSES**”.
2. Amend page 3, line 5, after “**OWNER**” by inserting “**OR DEVELOPER**”.

**Representative Meisner**, supported by **Representative Hildenbrand**, moved to adopt the amendments to **Senate Bill 1148**.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Huizenga, Baxter, Emmons, Palsrok, Wenke, Green, Hildenbrand, Rick Jones, Marleau, Pavlov, Meisner, Accavitti, Leland (13/19)

**NAYS:** None (0/19)

**PASS:** None (0/19)

A sufficient number of members voting in the affirmative, the **motion prevailed**.

**Representative Accavitti**, supported by **Representative Baxter**, moved to report **Senate Bill 1148**, with recommendation, as **Substitute (H-1)**.

**FAVORABLE ROLL CALL:**

**YEAS:** Reps. Huizenga, Baxter, Emmons, Palsrok, Wenke, Green, Hildenbrand, Rick Jones, Marleau, Pavlov, Meisner, Accavitti, Leland (13/19)

**NAYS:** None (0/19)

**PASS:** None (0/19)

A sufficient number of members voting in the affirmative, the **motion prevailed**.

**Representative Leland**, supported by **Representative Hildenbrand**, moved to excuse absent members. Hearing no objection, the **Chair** excused **Representatives David Law, Tobocman, Dillon, Bennett, and McConico**.

There being no further business to come before the committee, **Chair Huizenga** declared the meeting adjourned, the time being **11:45 a.m.**

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**Representative Bill Huizenga, Chair**

Jean Hamelin, Committee Clerk  
(517) 373-5632